

# How COVID rewrote the rules for the Canadian Restaurant industry

Before COVID, anyone with good food, goodwill, and a good location could successfully operate a restaurant. However, the pandemic has created a shift in consumer behavior, supply chain, labor and financial markets rendering the old success factors insufficient.

## 1. Consumer behavior

Proprietary transaction data and aggregated consumer surveys reveal that 80% of Canadian consumers now prefer eating at home, a trend mirroring U.S. and EU markets, where post-pandemic home dining retention exceeds 70%. This translates into a global market shrinkage for restaurant operators.

Furthermore, the Canadian consumer base has recently shifted from the regular steakhouses, burgers, and pizza parlors to health-oriented, Mexican, Asian, and other non-western joints. This means that the remaining market size accrues to some more than others.

Finally, Canadians have less and less time to dedicate to the full-service experience. That, combined with an increased price sensitivity made the rise of cloud kitchens more appealing while full-service traffic remains below 2019 levels (Black Box Intelligence, 2025).

Restaurants are now facing a more frugal consumer, with varying tastes, and less time to spend onsite.





